



Jim Doyle  
Governor

Helene Nelson  
Secretary

**State of Wisconsin**

Department of Health and Family Services

**DIVISION OF HEALTH CARE FINANCING**

1 WEST WILSON STREET  
P O BOX 309  
MADISON WI 53701-0309

Telephone: 608-266-8922  
FAX: 608-266-1096  
TTY: 608-261-7798  
dhfs.wisconsin.gov

December 19, 2003

Dianne Heffron  
Centers for Medicare and Medicaid Services  
Center for Medicaid and State Operations  
Mail Stop S2-01-16  
7500 Security Boulevard  
Baltimore, MD 21244-1850

Dear Ms. Heffron:

Enclosed please find Wisconsin's request to amend its BadgerCare section 1115(a)(2) demonstration waiver (project No. 11-W-00125/5) along with associated attachments and documentation requesting extension of the amended waiver from April 1, 2004 through June 30, 2007.

Wisconsin is requesting that the special terms and conditions addressing budget neutrality be amended. Specifically, that Budget Neutrality Targets for Demonstration Years 4 and 5 be changed to \$189.47 and \$196.06 respectively. These amendments reflect CMS's implementation of 42 CFR 438.6 (c) and are permitted under the current terms and conditions, Section III.B. A budget neutrality repayment timeframe is addressed within the attached amendment/renewal.

We are also requesting an extension of the amended waiver for the period April 1, 2004 through June 30, 2007. Budget neutrality targets and expenditure estimates on a PMPM basis are provided for the amendment and the extension.

In addition to this waiver amendment request and extension request, we are advising you of the upcoming change to our BadgerCare premium fees. Currently, those enrolled in BadgerCare with income at 150 percent of the federal poverty level and above are required to pay a premium equal to three percent of their income. As a result of legislation passed by the Wisconsin Legislature this premium will increase from three percent to five percent on January 1, 2004.

We appreciate your interest and strong support of the Wisconsin BadgerCare program. If you have any questions regarding this request please contact Angela Dombrowicki, Director, Bureau of Managed Health Care Programs, at (608) 266-1935.

Sincerely,

Mark B. Moody  
Administrator

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MC12065

Enclosure

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bcc:   Pris Boroniec  
          Angelo Castillo  
          Greg DiMiceli  
          Angela Dombrowicki  
          Michael Fox  
          Peggy Handrich  
          Daniel Ryan